

m/037/088

**From:** "Lee P. Gochnour" <lpgochmour@worldnet.att.net>  
**To:** "Doug Jensen" <dougjensen@utah.gov>  
**Date:** 8/31/04 11:04AM  
**Subject:** Need for Revised Reclamation Contract - Lisbon Valley Project

Doug

I have not been ignoring your most recent request for a formal letter request from LVMC-LLC. I have been busy trying to get my arms around LVMC's plans for moving forward and Bank requirements before money can be released.

Your most recent updated/escalated (2009) numbers for Lisbon Valley were:

3-Year Figure = \$3,437,200

Total Project Figure = \$10,493,100

LVMC proposes to post an initial amount of \$3,500,000 to cover reclamation of activities associated with the initial first year of construction. The 3-year figure, when posted, allows for concerns you may have with past approval of activities and amount/\$'s. To aid your decision making process, LVMC proposes the following activities between now and next Spring (March/April), while you review the already approved assumptions. If additional \$\$ are warranted, we can sit down and discuss how to proceed (before additional future/three year disturbances take place).

As soon as formal approval is given, LVMC proposes the following:

- 1) - Start Dirt Work for Phase I of the Leach Pad. This will only be cut and fill work with grading. No compaction work or liner installation will begin until next spring when temperatures are more stable and can be maintained for QA/QC purposes.
- 2) - Dig foundation, begin grading and begin construction of the crushing system and process plant.

Next spring (March/April), when weather conditions allow, we propose the following:

- 3) - Begin Compaction and liner installation of the Leach Pad and Ponds
- 4) - Begin Pre-Production Mining in Centennial and Sentinel Pits. This will be a small tonnage effort (582,000 tons) and necessary Haul Road Construction.

As you can see, the proposed \$3.5 million is more than adequate to cover these activities, and will allow you and the Dept. the ability to confirm numbers for the first three year phase.

The Banks will not release any money until an Amended Reclamation Contract is in Place. I would like to work with you and the Dept. as soon as possible to get an acceptable (to the banks and UDOGM) Reclamation Contract in place. How can we proceed as expeditiously as possible???

If you wish to discuss any of this in further detail, please contact me at the number below. Thanks again for the quick calculation of the new 2009 escalated number.

Pat G.!

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